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SUBJECT: AUSTRIAN MEDIA HIGHLIGHTS: April 03, 2007

Elsner Begins Rehab Treatment

¶1. Helmut Elsner, one of the chief suspects in the Bawag banking scandal, has begun rehabilitation treatment in a facility in the south of Austria after a heart bypass operation. The former CEO of Bawag is expected to remain in the clinic for at least four weeks, during which time Austrian justice authorities have imposed an information blackout on his condition. He and eight other former bank executives are charged with fraud and false accounting, and their trial is scheduled to begin in summer. While former bank Bawag CEO Helmut Elsner begins his rehabilitation treatment in Carinthia, the Austrian parliamentary committee looking into banking supervision on Monday focused on the Bawag bank, which was formerly owned by Austria's unions. Six people have been called to testify about billion-Euro losses from failed currency speculation. Among them is retired State Prosecutor Erich Mueller, who is likely to be asked about charges made as long ago as 1994, semi-official daily Wiener Zeitung reports.

EU Says Austrian CO2 Cuts Not Enough

¶2. The EU Commission says Austrian Environment Minister Josef Proell's plans to reduce carbon dioxide emissions do not go far enough. Environment Commissioner Dimas warned that Austria could not guarantee it will reach Kyoto goals, and demands a further cut of emission quotas by 2.1 million tons. While Proell agreed he would push for quick implementation of the Commission's plan, the Austrian Industrialists Association has criticized the ruling as an "environmental-political sin." According to ORF online news, the EU Commission argues that while Austria's climate strategy is a "step in the right direction," it is not enough to reach the European Union's climate protection goals, which is why Brussels is moving to reduce Austria's emission rights. The Environment Ministry has announced it will have invited interest group and industry representatives and officials from the ministries affected to meet after Easter for a discussion of the new situation and to develop effective strategies. ORF radio early morning news Morgenjournal notes that Minister Proell - despite emphasizing his misgivings about the Commission's demands -- says he will push for implementing the new goals. The Austrian Industrialists Association, however, said it is considering taking the issue to court and filing proceedings with the European Court of Justice. Centrist daily Die Presse also publishes a front-page report on the issue, citing the EU Commission as complaining that Austria is doing too little to curb the waste of energy. According to the daily, a key aspect of the Industrialist Association's criticism of Minister Proell is the group's complaint he had forwarded too late key data on Austria's climate strategy to Brussels.

Palestinian Foreign Minister in Vienna

13. New Palestinian Foreign Minister Ziad Abu Ammr will arrive in Vienna for a working visit today at the invitation of his Austrian counterpart Ursula Plassnik. He will also meet with Parliamentary President Barbara Prammer, and with the Palestinian community in Vienna.

Ahead of the new Palestinian Foreign Minister's visit to Austria, Ursula Plassnik told semi-official daily Wiener Zeitung the dialogue between Israelis and Palestinians needed "new drive." In an interview with the daily, the Austrian Foreign Minister described Ziad Abu Ammr as "enjoying the confidence of Palestinian President Mahmoud Abbas. He is an integration figure, receiving a lot of acceptance from all areas of Palestinian society, and he is an independent candidate." At their meeting in December, Abu Ammr had outlined to Plassnik "the three necessary steps for a re-launch of the political process in the Middle East: There has to be a national unity government, the Israeli soldier Gilad Shalit, who was kidnapped in July 2006, has to be released, and the cease fire needs to be made permanent." Regarding Hamas, Plassnik stressed that the EU was "just approaching a phase of re-assessment, but that is something that cannot happen in one day. The new Palestinian government will be measured by its actions, and not by its statements or program. This will also make an evaluation by Israeli much easier." She also underscored that "there are rules, and Hamas will have to change its position accordingly."

Meanwhile, independent provincial daily Salzburger Nachrichten with its headline "movement in the Middle East" reflects the view of all major Austrian media on Israeli Premier Ehud Olmert's proposal for a regional peace conference with Arab League representatives.

Commentator for the daily Gil Yaron argues that the "Israeli reaction to the peace offer of the Arab League finally gives cause for hope. The convergence of local, regional and overall interests leads Israelis and Arabs to have a greater interest in rapprochement than ever before. (...) Without an alliance with the moderate Arabs, Jerusalem will hardly succeed in putting a stop to the threatening omnipotence fantasies of Teheran. In addition, there are the overall interests. The Arab states, all in deep economic distress, need the West for their own survival. (...) However, it was Iran's successful power politics that has led to change in the Middle East: Fear and suffering unite Israelis and Arabs."

However, foreign affairs writer for liberal daily Der Standard Markus Bernath suggests that recent developments "show how limited the options for a new start of the peace process really are. (...) Nonetheless, the 'chances for a 'new movement' in the Middle East remains: If Olmert survives the report of the investigative commission for the Lebanon war and there are no new elections which bring right-winger Benjamin Netanyahu back to power - and if Hamas Prime Minister Haniyeh finds his way back to realpolitik via the EU."

President Fischer Visits South Korea

14. Austrian President Heinz Fischer held talks with his South Korean counterpart Roh Moo-hyun in Seoul during his state visit to the country - the first to South Korea by an Austrian president. In addition to bilateral relations, discussions focused on South Korea's relationship with the European Union. After reaching a free trade agreement with the United States to open up South Korea's highly protected market, the South Korean president says he now hopes to reach the same type of understanding with the EU during the first half of this year.

Semi-official daily Wiener Zeitung quotes Austrian President Fischer as saying during his visit to South Korea that Seoul's free trade deal with the United States was a positive development and that he welcomed the upcoming talks with the EU. The Austrian President also stressed he was looking forward to more investment by Austrian entrepreneurs in South Korea. On that issue, head of the Chamber of Commerce Christoph Leitl remarked that trade with South Korea was only seven percent of Austrian foreign trade volume, but that he hoped by 2010 it could be doubled from 500 million to one billion Euros. According to the South Korean President, Austria had been engaged in promoting the unification of the Korean peninsula since the end of WWII, and Fischer emphasized with regard to North Korea's nuclear ambitions that he considered the six party talks the best

way to end the problem without violence. The Austrian president on Monday visited a number of South Korean firms, especially in the electronics field, accompanied by a delegation which includes ministers and state secretaries as well as business and cultural representatives.

Foreign affairs writer for centrist daily Die Presse Thomas Seifert in an analysis of Fischer's visit suggests that Seoul's free trade agreement with the US caused quite a stir, which is why the Austrian President's visit had a calming effect.

Iran, UK Signal Diplomatic Opening

15. Iran says it wants to resolve through diplomacy the crisis over the 15 British soldiers seized in the Gulf more than a week ago, and that there was no need for a trial. The London Foreign Office explained it is still studying the remarks from Tehran, but emphasized it shares the preference for early bilateral discussions and would be contacting Iranian authorities. Austrian media suggest these developments are a sign Tehran might be willing to come around in the dispute.

Like all Austrian media reporting on the crisis between London and Tehran over the 15 British sailors, mass-circulation daily Kurier notes the two countries are now apparently banking on diplomacy to resolve the issue. Aside from these developments, however, the "threat of a new war in the region is not off the table," the daily warns. "According to Israeli military intelligence observers, Iran, Syria and the Lebanese Hezbollah are already putting defense measures in place for a potential confrontation with the United States. It is possible the US could launch an attack in summer in which Israel could be involved as well," the Kurier writes. Similarly, foreign affairs writer Michael Schmoelzer comments in semi-official daily Wiener Zeitung that while "London is pushing for de-escalation, George Bush is adding fuel to the flames." The fact that the US President "has interfered" in the crisis over the 15 British sailors "is likely to reduce the chance people will get off as lightly as possible." By labeling the Navy personnel "hostages" and describing their arrest as "inexcusable," Bush has "poured oil on more than one fire." He has made it "even harder for Mahmoud Ahmadinejad to come around, as his opponents would say he had caved in and shown cowardice in the face of Iran's archenemy."

Yushchenko Dissolves Parliament

16. All Austrian media report on a "massive government crisis" in Ukraine, after President Victor Yushchenko signed a decree to dissolve Parliament and hold an election next month. His move is part of a long-running power struggle between Yushchenko, who favors greater integration with the West, and his pro-Russian rival Victor Yanukovich, the country's Prime Minister. Ukrainian Members of Parliament, which is dominated by the Prime Minister's allies, have voted to continue to work.

Liberal daily Der Standard reports that Ukrainian President Victor Yushchenko has already set a date for early elections: Ukrainians will go to the polls May 27. It is unlikely, however, that the recent protests will trigger a second Orange Revolution, the daily adds, and quotes sociologist Irina Bekeshkina as explaining that in 2004, "people pushed for political change, now they primarily want an economic upswing." Mass-circulation daily Kurier meanwhile analyzes the fact that the Ukrainian government has ignored the Parliament's dissolution by President Yushchenko. According to Ukrainian journalist Tatyana Kremen, these developments "may not be the end for Yushchenko, but they will certainly bring about the end of his strong leadership position."

Supreme Court Says Us Must Regulate Pollution

17. The United States Supreme Court has ruled that the Bush administration was wrong to say it did not have the power to regulate exhaust gases from new cars and trucks. According to the Court, the Environmental Protection Agency had offered "no reasoned explanation" for refusing to regulate carbon dioxide and other harmful gas emissions from cars. Environmental campaigners have described the ruling as a "watershed moment," says ORF radio early

morning news Morgenjournal.
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